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IN THE

Supreme Court of the United States

October Term, 1958.
No. 881

WM. T. ALVARADO SALES CO. and SPEE-DEE CHECKOUT SYSTEMS, INC.,

Petitioners,

vs.

SIDNEY S. RUBALOFF and ABRAHAM M. GROSS, individually and doing business as CHECK-A-MATIC CO., and DI-MORE FIXTURE CO., INC.,

Respondents.

Brief of the Appellee in Opposition to Petition for Certiorari to the United States Court of Appeals for the Ninth Circuit.

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SIDNEY S. RUBALOFF and ABRAHAM M. GROSS, individually and doing business as CHECK-A-MATIC CO., and DU-MORE FIXTURE CO., INC.,

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Brief of the Appellee in Opposition to Petition for Certiorari to the United States Court of Appeals for the Ninth Circuit.

Opinions Below.

There is no reported District Court opinion. The unreported findings of fact, conclusions of law and judgment of the District Court are at record pages 26 through 35. These are findings, conclusions and judgments in two patent infringement cases which were consolidated for trial; in both cases the single patent in issue was held invalid on findings identical in each case except as to designation of the defendant. The opinion of the Circuit Court of Appeals is reported at 120 U. S. P. Q. 355 and a copy is appended to the plaintiff-appellant's Petition for Writ of Certiorari.

Jurisdiction.

Jurisdiction is alleged under Title 28 United States Code, Sections 1254(1) and 2101(c), of the Act of June 25, 1948.

Questions Presented for Review.

Despite appellants' elaboration of six "Questions Presented," there is, in fact, only a single, simple question presented: Will this Court review concurrent findings of fact of two courts below that a patent is invalid because of the prior art and for lack of invention, when said findings are amply supported on an elaborate record? This Court's decisions are clear that this Court will not undertake such a review. (See Argument I hereafter.)

Though the above is the only relevant and determinative question on the Petition for Writ of Certiorari, we have also answered hereafter the questions posed by the appellants-petitioners to show that they have no pertinency to the record here presented.

Statement of the Case.

Plaintiffs alleged that claims 3, 5, 6 and 7 of United States Patent No. 2,599,909 (hereafter simply "No. 909") were infringed by devices manufactured by the defendants. The claimed invention relates to mechanical check stands for grocery stores and the like. As appellants admit, "The structure is not complex." A mechanical turntable has been placed adjacent to a discharge counter and a register support panel has been positioned above a quadrant of the turntable. We do not repeat here the particulars of the claims, as they are reproduced in the Petition (pp. 7-8) and as the opinion of the Circuit Court of

Appeals describes sufficiently for purposes of the Petition and this brief the device disclosed by the Patent No. 909.

It was and is undisputed that the patent is composed of elements all of which are old in the prior art.[1] It was also testified to at length that there was no new coaction of parts or any new results or any increased efficiency obtained through use of a turntable device as opposed to other mechanical conveyor types in check-out stands, *e.g.*, a conveyor belt, which was used in check-out stands before the turntable. [R. 105-106, 191, 230-231, 233-234.] After four days of trial in which numerous exhibits and numerous prior art patents were introduced in evidence, the District Court found that the claims of the patent in issue disclosed only a non-patentable aggregation and were invalid because of the prior art and for lack of invention. The findings were specific and in pertinent part are as follows:

> "7. Each and every of the individual components of the claimed invention and of the claims thereof,

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[1]Footnote 4 of the opinion of the Circuit Court gathers some of the admissions of plaintiffs-appellants as follows: "At one point in their opening brief appellants appear to recognize that all components of the claimed invention are old in the prior art. They say: '. . . Nor did George utilize or rely on a newly discovered element or tool to gain his ends. He used the same means available to all his predecessors but added his touch of inventive skill to make a materially improved device. . . .' At the opening of the trial, counsel for appellants told the court: '. . . The parts are old, admittedly, but they are brought together in a novel action, as we intend to show. . . .' A few minutes later this colloquy occurred between the trial court and counsel for appellants:

> 'The Court: Is there anything new in any of this apparatus? You have taken various items that have been in the public domain and combined them in something that you claim is new, but is there anything new? Mr. Webb: No. The Court: Is there any part that is new, any claim of anything new? Mr. Webb: Broadly speaking, your Honor, we do not claim any specific item is absolutely new and cannot be found in the prior art. We claim that the combination is new in this art and that it gets a new and un-obvious result, as we will show.'"

including an item receiving counter, a turntable, a register support, an article stop, and a discharge counter, were all well known in the prior [34] art and in public use or on public sale in the United States more than one year prior to the date of the application for said patent No. 2,599,909. Examples of the prior art are found in the prior art patents contained in defendant Du-More Fixture Co., Inc.'s Exhibit 'C' herein, including, but not limited to, the following patents:

Tench	756,298
Brock, et al.	1,028,670
Goodrich	1,071,004
Johnson	1,143,279
Florence	1,400,948
Wilcox	1,664,055
Muse	2,237,080
Turnham	2,242,408
Price	2,268,897
Campbell	2,305,604
Bradley	2,317,438

8. The claimed invention, and each claim thereof, is a non-patentable aggregation (as distinguished from a patentable combination) of components all individually old, and makes no substantial advancement or improvement over the prior art, either in efficiency, or function, or relationship or interaction of the parts and components one to the other. The patentee has not produced any 'unusual or surprising consequences' from the aggregation of the old elements, the patent does not possess any patentable improvements over the prior art, and no patentable invention is contained or disclosed therein.

9. The function of each of the various components of the alleged disclosed invention is not different from the function of each of said components as disclosed in the prior art and as disclosed in devices in prior public use or on public sales; nor is there any new relationship, coaction, or surprising result in [35] the aggregation of the various components of the alleged invention.

10. The difference between the alleged invention and the prior art was such that the alleged invention was obvious at the time of the alleged invention to a person having ordinary skill in the art. Patent No. 2,599,909, is invalid, void and of no force and effect for lack of invention.

11. Having found said patent invalid as to the claims sued upon because of the prior art and for lack of invention, the Court expressly refrains from ruling on the various other numerous defenses alleged by defendant herein in paragraphs XI through XXIII of the 'Answer and Counterclaim to Amended Complaint.'" [R. 32-34.]

After a thorough review of the record and the briefs, the Circuit Court found, "There is substantial evidence to support the finding of fact that all components of the claimed invention are old in the prior art." (Opinion, Appendix to Petition, p. 4a.) ". . . it makes little difference whether a turntable or conveyor belt is used." (*Ibid,* p. 7a.) The Circuit Court concluded as follows:

"Applying the test of the A. & P. case to the uncontroverted facts before us here, we hold that the trial court did not err in concluding that the George device is a non-patentable aggregation of old com-

ponents and therefore invalid. Its components do not perform any additional or different function in the combination than they perform out of it. To be sure, they perform this same function differently, and perhaps better. This difference, and betterment, evidences the practical application of a good idea. It is not, however, an idea which in practice has produced such unusual or surprising consequences or has so added to the total stock of knowledge that it represents invention in the constitutional sense.' (*Ibid*, pp. 9a-10a.)

ARGUMENT.

I.

Where There Are Amply Supported Concurrent Findings of Fact in a Patent Infringement Action, the Case Is Inappropriate for Review in This Court.

The rule in the heading has been reiterated by this Court in the following cases:

Graver Tank & Mfg. Co., Inc. v. Linde Air Products Co., 336 U. S. 271, 275, 279;

Universal Oil Products Co. v. Globe Oil Co., 322 U. S. 471, 473;

Williams Mfg. Co. v. United Shoe Machinery Corp., 316 U. S. 364, 367.

As stated in the *Graver Tank* case, *supra:*

"52(a) of the Federal Rules of Civil Procedure provides in part: 'Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses.' To no type of case is this last clause more appropriately applicable

than to the one before us, where the evidence is largely the testimony of experts as to which a trial court may be enlightened by scientific demonstrations."

* * * * * * * *

"A court of law, such as this Court is, rather than a court for correction of errors in fact finding, cannot undertake to review concurrent findings of fact by two courts below in the absence of a very obvious and exceptional showing of error. Goodyear Tire & Rubber Co. v. Ray-O-Vac Co., 321 U. S. 275; District of Columbia v. Pace, 320 U. S. 698; Williams Mfg. Co. v. United Shoe Machinery Corp., 316 U. S. 364; Baker v. Schofield, 243 U. S. 114, 118.

"No such showing is made."

* * * * * * * *

"The same deference is due to the findings of the trial court which overturn claims as to those which sustain them. Technicians may and probably will continue to debate with plausible arguments on each side as to what this obscure process really is. But the record in this case, while not establishing to a certainty that the findings are right, fall far short of convincing us that they are clearly erroneous. We think that the rules that govern review entitle the trial court's conclusions to prevail and that the process claims are invalid under the statute." (336 U. S. 271, 275, 279.)

It follows that in the case at bar, where the patent was held invalid, the Petition for Writ of Certiorari should be denied.

II.

The Six "Questions" Posed by Petitioner Do Not Avoid the Impact of the Above Rule and in Any Event on the Record Here Must Be Answered Adversely to Petitioners.

1. The Courts Below Did Not Make Degree of Improvement the Sole Test of Validity.

(Ref.: Pet., pp. 9-11.)

Petitioners' discussion overlooks the mandate of 35 U. S. C. 101 that there must be an *invention* as well as an *improvement*.[2] (*Sinclair & Carroll Co., Inc. v. Interchemical Corp.*, 325 U. S. 327, 330.) Both courts below held there was no invention but merely a non-patentable aggregation of old components. Only a glance at the prior art patents is needed to sustain this holding.

The statement in the Petition that the Court of Appeals "does not attempt to state wherein any prior art suggested or taught the combination of the George patent" (Pet., p. 10) is belied by the opinion itself. (See Opin., pp. 3a-7a of Appx to Pet., where the Court of Appeals discusses the Price, Florence, Turnham, Bradley and Muse patents.) Petitioners' further statement, "Nor does the Court of Appeals apparently consider that any question relating to the suggestive powers of the prior art exist in this case," is disproved by the same pages of the opinion and by find-

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[2] 35 U. S. C. 101. Inventions Patentable:

"Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title."

ing 10 of the District Court,[3] which the Court of Appeals found to be supported.

Petitioners also erroneously state that the opinion of the Court of Appeals contains "findings of new and additional functions of elements and different and improved function of the device." (Pet., p. 11.) The opposite is true. The opinion states categorically: "Its components do not perform any additional or different function in the combination than they perform out of it. To be sure, they perform this same function differently, and perhaps better." (Appx. p. 10a.) See also the categorical findings 8 and 9 by the District Court, reproduced above on pages 4-5. Petitioners' "difference" is simply the use of a turntable instead of a conveyor belt in a mechanical check stand. As the opinion of the Court of Appeals points out, this substitution was suggested by the Price and Florence patents. (Appx. p. 4a.)

Finally, we point out that the phrase "commercial value" is petitioners' (Pet., pp. 10-12), not the Court of Appeals.' The test of invention applied by the Court of Appeals is the test enunciated by this Court. (*Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U. S. 147, quoted extensively in the opinion below; *General Electric Co. v. Jewel Incandescent Lamp*

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[3] "10. The difference between the alleged invention and the prior art was such that the alleged invention was obvious at the time of the alleged invention to a person having ordinary skill in the art. Patent No. 2,599,909 is invalid, void and of no force and effect for lack of invention." [R. 34.]

Co., 326 U. S. 242, 249;[4] and *Sinclair & Carroll Co., Inc. v. Interchemical Corp.*, 325 U. S. 327, 330. As stated in the *Sinclair & Carroll Co.* case:

> "A long line of cases has held it to be an essential requirement for the validity of a patent that the subject-matter display 'invention,' 'more ingenuity . . . than the work of a mechanic skilled in the art.' [Citations.] This test is often difficult to apply; but its purpose is clear. Under this test, some *substantial innovation* is necessary, an innovation for which society is truly indebted to the efforts of the patentee." (Emphasis added.)

2. There Are No Findings Here of "Specific Improvements."

(Ref.: Pet., pp. 12-14.)

What has been said above shows that the specific findings of the District Court and the opinion of the Court of Appeals simply do not coincide with Petitioners' statements. The opinion states, ". . . they perform this same function differently, and *perhaps* better." (Appx. p. 10a.) But as the opinion previously pointed out, after analyzing the evidence of use of the devices, ". . . . it makes little difference whether a turntable or conveyor belt is used." (Appx. p. 7a.) Findings 8 and 9 by the District Court are categorical that there are no substantial advancement

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[4] "Pipkin found latent qualities in an old discovery and adapted it to a useful end. But that did not advance the frontiers of science in this narrow field so as to satisfy the exacting standards of our patent system. Where there has been use of an article or where the method of its manufacture is known, more than a new advantage of the product must be discovered in order to claim invention. See De Forest Radio Co. v. General Electric Co., 283 U. S. 664, 682. It is not invention to perceive that the product which others had discovered had qualities they failed to detect. See Corona Cord Tire Co. v. Dovan Chemical Corp., 276 U. S. 358, 369." (*General Electric Co. v. Jewel Incandescent Lamp Co.*, 326 U. S. 242, 249.)

or improvement or unusual or surprising consequences from the aggregation of old elements here.[5] The Court of Appeals is equally categorical: ". . . we hold that the trial court did not err in concluding that the George device is a non-patentable aggregation of old components and therefore invalid." (Appx. pp. 9a-10a.)

3. Neither Court Below Overlooked the Presumption of Validity.

(Ref.: Pet., pp. 14-15.)

A glance at the briefs submitted to the Court of Appeals shows that the effect of the grant by the Patent Office was argued in that Court. It was also argued in the District Court, and neither Court overlooked the presumption of validity. The presumption clearly cannot save an invalid patent. As the same Court of Appeals stated in another recent case:

> "It is well understood that the mere issuance of the patent is entitled to a certain amount of weight in determining invention, but of course, such action cannot be considered conclusive on the trier of fact."
>
> *Container Corp. of America v. M. C. S. Corp.*, 250 F. 2d 707, 708 (9 Cir., 1957).

Further, we point out that the Turnham, Muse, Goodrich and Florence patents, all cited by District Court [R. 33], were not made references of record in the file of the George patent No. 909. Significantly, also, the patentee in the Patent Office cited the opinion of the Sixth Cir-

[5]It should also be noted that the Price patent (No. 2,268,897) discloses the use of a stop in connection with a turntable, and that the Bradley patent (No. 2,317,438) suggests a register support in the same general position as No. 909. Beyond that, all the claims of No. 909 do not require the register support panel to act as a stop. See, *e.g.*, claims 5 and 6.

cuit on the Turnham patent (*Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corporation*, 179 F. 2d 636; file wrapper, p. 48 of George patent in suit; Du-More Ex. B), but not the reversal of that opinion by this Court (340 U. S. 147), though that reversal occurred during the prosecution of George's application.

4. The Finding of No Improvement Is Clearly Supported.

(Ref.: Pet., pp. 15-16.)

As Petitioners admit, their contention under Question 4 is encompassed under the prior questions. The findings of the District Court, the opinion of the Court of Appeals, and what has been said above dispose of this contention.

5. There Were No New and Different Functions Found.

(Ref.: Pet., pp. 16-17.)

This question has also been disposed of above. Further, we point out that in all the claims in issue (3, 5, 6 and 7) the discharge counter has been included as an element, despite the absence of *any* new coaction between the receiving and discharge counters. This is in direct contravention of the further mandate of the *A & P* case, 340 U. S. 147 at 150:

> "In the third place, if the extension itself were conceded to be a patentable improvement of the counter, and the claims were construed to include it, the patent would nevertheless be invalid for overclaiming the invention by including old elements, unless, together with its other old elements, the extension made up a new combination patentable as such. *Bassic Mfg. Co. v. Hollingshead Co.*, 298 U. S. 415; *Carbice Corp. v. American Patents Development Corp.*, 283 U. S. 27."

See also:

Lincoln Engineering Company v. Stewart-Warner Corporation, 303 U. S. 545, 552.

6. The Courts Below Considered the Specific "Differences" and "Improvements."

(Ref.: Pet., pp. 17-18.)

Here, too, the findings of the District Court, the opinion of the Court of Appeals, and what has been said above show that no meritorious point is raised by Petitioners.

Conclusion.

We will not rehearse the inaccuracies which are restated in Petitioners' Conclusion (Pet., pp. 18-20.) As petitioners themselves point out, their argument "has been unusually free of citations of prior decisions. . . ." (Pet. p. 18.) We respectfully submit that under any and all of the authorities cited by any of the parties hereto, the finding of invalidity of the George patent No. 909 was the only one which the District Court could have made. The affirmance by the Court of Appeals constitutes a concurrent finding of non-patentable aggregation and lack of invention. The Petition for Writ of Certiorari should be denied.

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